

KENTUCKY REAL ESTATE APPRAISERS BOARD

TYPE OF MEETING

Special Meeting

DATE AND LOCATION

September 22, 2011 – Board Office

PRESIDING OFFICER

Harold Brantley, Chair

ROLL CALL

Present:

Harold Brantley, Chair
Sam E. Blackburn, Vice Chair
Dorsey Hall, Board Member
G. Herbert Pritchett, Board Member
Kathy Mayfield, Board Member

Present Also:

Larry Disney, Executive Director
Angie Thomas, Staff Assistant
Ravon Radmard, Executive Secretary
James Grawe, Board Counsel
Dennis Badger, Investigator Consultant

Chair, Harold Brantley opened the meeting by announcing the meeting would be conducted under the Roberts Rules of Order and that the agenda had been provided to the Board Members and advertised and distributed to the public. The Board was asked by Chair if there was a need to deviate or add to the agenda, no comments were made by Board therefore, the agenda would stand as presented.

Chair, Harold Brantley welcomed the guest in attendance.

REGULATIONS

The Board Members were given a Statement of Consideration with all verbal and comments that were submitted on 201 KAR 30:310, 201 KAR 30:320 and 201 KAR 30:360. After review of all comments the following was decided by the Board:

201 KAR 30:310 – Motion by Sam Blackburn, to remove Section 5 of this regulation. The decision was based on ASC has not established a policy for submitting fees to their agency. A second was made by Dorsey Hall and the Board unanimously agreed to remove Section 5 of the regulation. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

201 KAR 30:310 – Motion by Dorsey Hall to leave the registration and renewal fee at \$3,500. The decision was based on the Board does not know what the cost to regulate the AMC Companies. A second was made by Sam Blackburn and the Board unanimously agreed to leave as submitted. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

201 KAR 30:320 – Motion by Sam Blackburn to leave the Surety Bond at \$500,000. A second was made by Herbert Pritchett and the Board unanimously agreed to leave Surety Bond as submitted. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

201 KAR 30:360

Section 1 – Motion by Sam Blackburn to leave regulation as submitted. A second was made by Herbert Pritchett and the Board unanimously agreed to leave Section 1 as submitted. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 2 - Motion by Sam Blackburn to leave regulation as submitted. A second was made by Herbert Pritchett and the Board unanimously agreed to leave Section 2 as submitted. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 3 - Motion by Sam Blackburn to leave regulation as submitted. A second was made by Dorsey Hall and the Board unanimously agreed to leave Section 3 as submitted. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 6 - Motion by Dorsey Hall to amend his first motion and make another motion to end the sentence on Line 7 after the word “agreement” and delete further wording in this section. Section 6 would read as follows “A registrant shall not require an appraiser to sign an indemnification agreement”. A second was made by Sam Blackburn and the Board

unanimously agreed to make change as recommended. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 7 - Motion by Dorsey Hall to leave regulation as submitted. A second was made by Sam Blackburn and the Board unanimously agreed to leave Section 7 as submitted. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 8 - Motion by Dorsey Hall to leave regulation as submitted. A second was made by Sam Blackburn and the Board unanimously agreed to leave Section 8 as submitted. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 9 - Motion by Dorsey Hall to leave regulation as submitted. A second was made by Sam Blackburn and the Board unanimously agreed to leave Section 9 as submitted. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 10 - Motion by Dorsey Hall to leave regulation as submitted. A second was made by Sam Blackburn and the Board unanimously agreed to leave Section 10 as submitted. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 11 - Motion by Sam Blackburn to leave regulation as submitted. A second was made by Dorsey Hall and the Board unanimously agreed to leave Section 11 as submitted. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 12 - Motion by Herbert Pritchett to leave regulation as submitted. A second was made by Sam Blackburn and the Board unanimously agreed to leave Section 12 as submitted. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 13 - Motion by Herbert Pritchett to add a “period” after agreement on line 17 and delete “that violates KY law”. Add the following after the word appraiser on line 17 “that is an independent contractor under KY law”. And delete the word “residential”. A second was made by Sam Blackburn and the Board unanimously agreed to make change as recommended. Section 13 will read as follows “A registrant shall not require a Kentucky licensed or certified real property appraiser to sign a non-compete agreement that is an independent contractor under KY law. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 14 - Motion by Dorsey Hall to remove Section 14 from the regulation. A

second was made by Sam Blackburn and the Board unanimously agreed to remove Section 14. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Fees Paid to Appraisers

Section 1 - Motion by Herbert Pritchett to leave as presented. A second was made by Kathy Mayfield and the Board unanimously agreed to leave Section 1 as submitted. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 2 - Motion by Dorsey Hall to leave as presented. A second was made by Herbert Pritchett and the Board unanimously agreed to leave Section 2 as submitted. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 3 - Motion by Sam Blackburn to change Line 18 from 10 days to 15 days. A second was made by Dorsey Hall and the Board unanimously approved the change and recommended. Section 3 will read as follows: An appraiser shall comply with a registrant's request for additional data support of estimate of value or correction of factual and objective data errors within 15 days of request or be subject to complaint process to the Board by the registrant." Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 4 –Motion by Dorsey Hall to make the following changes: 1. Line 20 – change the wording from credentialed to licensed and certified Appraisers. 2. Add the following language to the end of the Section 4 “and such a fee schedule shall not become the absolute rate; and nothing herein shall apply to any rates charged by appraisers to any non AMC. A second was made by Herbert Pritchett and the Board unanimously approved the changes. Section 4 will read as follows “A registrant shall compensate a Kentucky licensed or certified appraiser at a rate that is mutually agreed to between the Appraiser and the registrant provided the fee is equal to or greater than the fee schedule of the U.S. Department of Veterans Affairs for similar properties in the same geographic areas of Kentucky and such a fee schedule shall not become the absolute rate; and nothing herein shall apply to any rates charged by appraisers to any non AMC. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Section 5 – Motion by Motion by Kathy Mayfield to leave as presented. A second was made by Sam Blackburn and the Board unanimously agreed to leave Section 5 as submitted. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

Motion by Sam Blackburn, second was made by Kathy Mayfield and the Board unanimously agreed to file regulation. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

MINUTES

Motion by Dorsey Hall, second by Sam Blackburn and the Board approved the August 26, 2011 minutes. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – No; Kathy Mayfield – Yes.

EDUCATION

Motion by Kathy Mayfield, second by Sam Blackburn and the Board voted to approve the following courses for fiscal year 2011-2012. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes.

- A. Appraisal Institute
 - (a) Real Estate Finance, Statistics and Valuation Modeling – 15 hours QE/CE (with exam) and 14 hours CE (without exam)
- B. McKissock
 - (b) Online National USPAP Update Course – 7 hours CE
 - (c) National USPAP Update 2012-2013 – Classroom – 7 hours CE
- C. Career WebSchool
 - a. Online Appraisal Math and Statistics – 7 hours CE
- D. Dennis Badger & Associates
 - (a) National USPAP Update Course (2012 – 2013) – 7 hours CE

CERTIFICATION/LICENSURE

- A. Approval
 - (1) Melissa A. Baker – Associate - Motion by Sam Blackburn, second by Kathy Mayfield and the Board voted to approve for Associate license. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Abstain; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes.
 - (2) Robert S. Crew - Motion by Dorsey Hall second by Kathy Mayfield and the Board voted to approve for Associate license. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes.
 - (3) John M. Karnes– Certified General (MO) - Motion by Sam Blackburn, second by Herbert Pritchett and the Board voted to approve for Certified General. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes.

(4) Sandra L. Neukam - Associate - Motion by Sam Blackburn, second by Kathy Mayfield and the Board voted to approve for Associate license. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes.

B. Earle J. Eversole – Applicant applying for Associate with prior conviction – Motion by Sam Blackburn, second by Dorsey Hall and the Board voted to approve for Associate license. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes.

COMPLAINT

A. The Board reviewed the Case Flow Summary Chart and the staff reported 31 cases have been filed in 2011.

B. Investigator Report – Dennis Badger, investigator reported there are six cases that are beyond the six month requirements and should be presented at the October Board meeting.

C. Cases

- (1) 10-49 – Motion by Dorsey Hall, second by Herbert Pritchett and the Board unanimously voted to dismiss the case. Roll call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes
- (2) 10-50 – Motion by Herbert Pritchett, second by Sam Blackburn and the Board unanimously voted to dismiss the case. Roll call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes
- (3) 10-53 – Motion by Dorsey Hall, second by Sam Blackburn and the Board unanimously voted to dismiss the case. Roll call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes
- (4) 10-54 – Motion by Sam Blackburn, second by Kathy Mayfield and the Board unanimously voted to file a formal complaint and set the case for a hearing. Roll call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes
- (5) 10-58 – Motion by Dorsey Hall, second by Herbert Pritchett and the Board unanimously voted to file a formal complaint and set the case for a hearing.

Roll call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes

- (6) 10-59 – Motion by Sam Blackburn, second by Herbert Pritchett and the Board unanimously voted to file a formal complaint and set the case for a hearing. Roll call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes
- (7) 10-63 – Motion by Sam Blackburn, second by Herbert Pritchett and the Board unanimously voted to file a formal complaint and set the case for a hearing. Roll call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes
- (8) 11-01 - Motion by Dorsey Hall, second by Kathy Mayfield and the Board unanimously voted to file a formal complaint and set the case for a hearing. Roll call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes
- (9) 11-04 – Motion by Sam Blackburn, second by Kathy Mayfield and the Board unanimously voted to file a formal complaint and set the case for a hearing. Roll call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes
- (10) 11-12 – Motion by Kathy Mayfield, second by Sam Blackburn and the Board unanimously voted to file a formal complaint and set the case for a hearing. Roll call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes
- (11) 11-17 – Motion by Kathy Mayfield, second by Herbert Pritchett and the Board unanimously voted to dismiss the case. Roll call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes
- (12) 11-24 - Motion by Sam Blackburn, second by Kathy Mayfield and the Board unanimously voted to file a formal complaint and set the case for a hearing. Roll call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes
- (13) 11-25 – Motion by Dorsey Hall, second by Kathy Mayfield and the Board unanimously voted to dismiss the case. Roll call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes

MISCELLANEOUS

The Board reviewed the following information

- (1) Illinois Dept. of Financial and Professional Regulation – Info on Compliance Issue
- (2) Information from Alabama Appraisal Board concerning David Glauber & Robert Hardin
- (3) Exposure Draft Comments – August 30, 2011
- (4) Budget Ending 8/31/2011 – Motion by Sam Blackburn, second by Kathy Mayfield and the Board accepted as presented. Roll call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Abstain; Kathy Mayfield – Yes
- (5) Discussion of Board Seminars for 2012 - The Board discussed offering the National USPAP Update course for 2012 year. Larry Disney advised the Board he would email them with the cost of offering the National USPAP Update course. Staff advised they would present the dates and locations at the October Board meeting.
- (6) 2012 – 2014 Budget Request – The Board reviewed and approved the Budget Submission request. The amount for Fiscal Year 2012 – 2013 will be \$694,300 and Fiscal Year 2013-2014 will be \$716,200.

NEW BUSINESS

The Board was notified that the October Board meeting will change to Thursday, October 27, 2011 at 9:00 a.m. at the Board office. The November Board meeting will change to Thursday, November 17, 2011 at 9:00 a.m. at the Board Office Motion by Herbert Pritchett, second by Sam Blackburn to accept the change to the October and November Board meeting and adjourn the meeting. Roll Call - Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes.


Chair


Staff Assistant